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UNCLAS HANOI 001196

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SUBJECT: Ag Minister in disgrace; MPT Minister next?

Ref: A. Hanoi 956 B. 03 Hanoi 3156

¶1. (U) The April 27 "Nhan Dan" carried a small article on its back page reporting on Decision No. 398/2004/QD-TTg to "discipline" Minister of Agriculture and Rural Development Le Huy Ngo, which was apparently signed by Prime Minister Phan Van Khai on April 22. Ngo was specifically censured for "lacking responsibility" in the case of a MARD subsidiary whose officers -- notably La Thi Kim Oanh -- skimmed off millions of US dollars worth of MARD-backed bank loans (ref b). Two MARD Vice Ministers were also convicted in the case but had their sentences suspended at the appeal trial, at which Ngo appeared as a character witness on their behalf (ref a).

¶2. (U) Ngo reportedly submitted a letter of resignation on April 23, a step that had long been predicted. Conventional wisdom in Hanoi is that Ngo, who is also a member of the CPV's Central Committee, will not face any criminal charges, however. His likely successor is Cao Duc Phat, former MARD Vice Minister and briefly Deputy People's Committee Chairperson in An Giang province.

¶3. (U) Press reports have also indicated that Minister of Post and Telematics Do Trung Ta (another CPV Central Committee member) is now under investigation, along with his son, on charges of corruption and/or embezzlement. Police were reportedly seen raiding Ta's office at the Ministry during the week of April 19 to collect his files and personal papers.

¶4. (U) Comment: The CPV and GVN are well aware of the dangers of corruption to their legitimacy and authority, but have pursued few high level perpetrators. Willingness to act upon and to publicize cases involving members of the Cabinet and Central Committee are welcome, but will likely not alter public perceptions that high fliers receive lenient treatment.

BURGHARDT